Message Text

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DRAFTED BY ARA/AND/E:JAALLITTO:CMM APPROVED BY ARA:FMCNEIL ARA/RPP - MR. FINAN ARA/RPP - COL. QUIGG ARA/AND - MR. BARNEBEY ------073191 271815Z/64

P R 271745Z APR 78
FM SECSTATE WASHDC
TO AMEMBASSY QUITO PRIORITY
INFO AMEMBASSY BOGOTA
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY SANTIAGO
AMCONSUL GUAYAQUIL

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E.O. 11652: GDS

TAGS: PBOR, MASS, PGOV, EAID, EC, EFIS, PE

SUBJECT: WASHINGTON VISIT OF THE ECUADOREAN JOINT CHIEFS OF STAFF

- 1. ON APRIL 21, THE ECUADOREAN JOINT CHIEFS OF STAFF CALLED ON DEPUTY ASSISTANT SECRETARY MCNEIL. THE FOLLOWING TOPICS WERE COVERED.
- 2. ECUADOREAN-PERUVIAN BORDER DISPUTE

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A. ECUADOREAN AMBASSADOR YCAZA BEGAN THE PRESENTATION WITH A SUMMARY OF GOE-GOP RELATIONS DURING THE PAST TWO YEARS. HIS MAIN POINTS WERE THAT GOE HAS ALWAYS BEEN WILLING TO DISCUSS THE BORDER PROBLEM WITH THE GOP, BUT LATTER'S ATTITUDE HAS CHANGED DURING THE PAST SIX MONTHS, AND NOW GOP IS NO LONGER INTERESTED IN FINDING A MUTUALLY ACCEPTABLE SOLUTION.

B. ADMIRAL OLMEDO THEN STATED THAT THE GOE DID NOT SEE MUCH GOOD FAITH IN PERU. AS AN EXAMPLE, HE SAID THAT LAST AUGUST THE GOP HAD SUGGESTED POSSIBLE SOLUTIONS THAT INCLUDED SOVEREIGN ECUADOREAN ACCESS TO THE MARANON. IN SEPTEMBER, AT THE GOE-GOP PRESIDENTIAL TALKS IN WASHINGTON, THE GOP EVEN WENT OVER MAPS WITH THE GOE

RE SOVEREIGN ACCESS. THEN, IN THE FALL, THE GOP REVERSED ITS POSITION.

3. ARMS FOR ECUADOR

A. OLMEDO CONTINUED THAT NEXT YEAR IS CENTENNIAL OF WAR OF PACIFIC; GOE IS WORRIED THAT PERU CONTINUES TO RECEIVE ARMS SHIPMENTS FROM GERMANY, ITALY, AND THE USSR; AND GOE NEEDS USG HELP (DEFINED BY OLMEDO AS THE SALE OF DEFENSIVE WEAPONS SO THAT THE GOE CAN DISSUADE THE GOP FROM ATTACKING ECUADOR TO SEIZE ITS OIL FIELDS). HE CONTINUED BY NOTING THE HIGH COST OF ARMS PURCHASES, SAYING THE GOE DOES NOT WANT TO DIVERT MONEY FROM DEVELOPMENT PROJECTS; AND, THEREFORE, WANTS THE USG TO GIVE ECUADOR A SPECIAL PRICE AND EARLY DELIVERY OF CHAPARRAL SURFACE-TO-AIR ANTIAIRCRAFT MISSILE SYSTEM. SPECIFICALLY, HE ASKED IF GOE COULD BUY AT THE SAME PRICE THAT U.S. FORCES PAY, AND IF THE 30-MONTH LEAD CONFIDENTIAL

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TIME COULD BE CUT.

B. ARMY CHIEF OF STAFF CABRERA STATED THAT ECUADOR ALSO NEEDED THE TOW ANTITANK MISSILE SYSTEM SINCE PERU WOULD PROBABLY ATTACK ECUADOR IN JULY OR AUGUST NEXT YEAR. WHEN ASKED WHY AT THAT TIME, CABRERA STATED THAT JULY AND AUGUST ARE IN THE DRY SEASON AND NEXT YEAR IS CENTENARY OF WAR OF PACIFIC.

C. AIR FORCE CHIEF OF STAFF ABAD THEN ADDED THAT IF IT HAD NOT BEEN FOR ECUADOREAN PRESIDENT POVEDA'S TELEPHONING PERUVIAN PRESIDENT MORALES LAST JANUARY TO RESOLVE BORDER INCIDENTS, NO ONE KNOWS WHAT MIGHT HAVE HAPPENED. FURTHERMORE, GOE DOES NOT SEE HOW USG CAN STAY OUT OF THE PROBLEM, OR ELSE USSR WILL GRADUALLY TAKE OVER IN LATIN AMERICA.

D. MCNEIL NOTED HERE THAT THE SOVIET ARMS THE GOP HAS PURCHASED HAVE ONLY ADDED TO THE GOP'S ECONOMIC PROBLEMS, AND THAT SOME PERUVIANS NOW AGREE WITH-THAT POINT OF VIEW. FURTHERMORE, THE USG IS CONCERNED THAT AFTER DECADES OF NO LATIN AMERICAN ARMS RACES, NOW THERE IS

ONE IN THE ANDES, AND THE USG DOES NOT WANT TO CONTRIBUTE TO THE RACE. HOWEVER, SINCE CHAPARRAL IS A DEFENSIVE SYSTEM, EXECUTIVE BRANCH HAS APPROVED IT FOR SALE TO GOE, IF LATTER WANTS IT. AS FOR TERMS OF SALE, THAT IS FOR DEPARTMENT OF DEFENSE TO HANDLE. AS FOR TOW, GOE'S REQUEST IS UNDER STUDY.

4. CHAPARRAL MISSILE DELIVERY

HERE OLMEDO AND CABRERA STATED THEIR UNDERSTANDING THAT AT APRIL 20 TALKS IN THE PENTAGON, THEY HAD BEEN TOLD THAT DEPARTMENT OF STATE COULD SHORTEN 30-MONTH LEAD TIME NORMALLY REQUIRED FOR DELIVERY OF CHAPARRAL. HOWEVER, THIS MAY HAVE BEEN THE RESULT OF A LANGUAGE CONFIDENTIAL.

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PROBLEM. MCNEIL SAID STATE WOULD CONSULT WITH DEFENSE ON THIS POINT, AND WOULD TELL THE GOE THROUGH OUR EMBASSY IN QUITO.

- 5. RETURN TO CIVILIAN GOVERNMENT
- A. MCNEIL CONGRATULATED GOE ON ITS PLAN TO RETURN POWER TO CIVILIANS THIS YEAR.
- B. OLMEDO SAID THE GOE'S PLAN WAS COMPLETELY VOLUNTARY--MADE UNDER NO PRESSURE FROM ANYWHERE. HE THEN REAFFIRMED THAT THE MILITARY WANT TO ASSURE ELECTIONS--WITH INTERNAL AND EXTERNAL PEACE.
- 6. JOINT ECUADOREAN-PERUVIAN BORDER PROJECTS
- A. WHEN MCNEIL REPLIED TO THE YCAZA-OLMEDO STATEMENTS RE THE GOE-GOP BORDER DISPUTE, HE STATED THE USG POSITION, WHICH IS TO ENCOURAGE THE TWO DISPUTANTS TO TRY TO RESOLVE THEIR DISPUTE DIRECTLY AND PEACEFULLY. HE ADDED THAT THE USG IS NOT DISPOSED TO OFFER SOLUTIONS, BUT THAT IF THE GOE AND GOP REACH A SOLUTION, SECRETARY VANCE HAS INDICATED THAT USG WOULD BE READY TO CONSIDER PARTICIPATING IN THE FINANCING OF JOINT ECUADOREAN-PERUVIAN BORDER PROJECTS.
- B. OLMEDO THEN NOTED THAT THE GOE AND GOP ALREADY HAVE ONE MAJOR BORDER PROJECT UNDERWAY, THE PUYANGO-TUMBEZ IRRIGATION PROJECT. HE SAID QUESTION ON SHARING OF IRRIGATION WATER COULD BECOME A SERIOUS PROBLEM BETWEEN ECUADOR AND PERU.
- 7. FISHERIES CONFIDENTIAL

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MCNEIL EXPRESSED PLEASURE THAT U.S. TUNA BOATS FISHING OFF ECUADOR'S COAST NO LONGER CONSTITUTE AN IRRITANT IN OUR BILATERAL RELATIONS. HE GAVE MUCH CREDIT TO THE ROLE OF THE ECUADOREAN ARMED FORCES, PARTICULARLY THE NAVY. OLMEDO EXPRESSED PLEASURE, TOO, WITH THE NEW COOPERATIVE SPIRIT IN FISHERIES RELATIONS.

8. COMMENT: WE THINK MISSION'S VISIT TO THE U.S. HAS GONE WELL AND THAT THEY RECEIVED CONSIDERABLE PERSONAL ATTENTION. WE UNDERSTAND THAT ECUADOR SHOULD BE CONCERNED ABOUT PERU'S CAPABILITIES AND INTENTIONS WE STILL SEE NOTHING THAT WOULD JUSTIFY THE ECUADOREAN CONTENTION THAT PERU CAME VERY CLOSE TO MOUNTING A FULL SCALE ATTACK ON ECUADOR OR THAT THERE IS SOME RATIONAL BASIS FOR BELIEF THAT PERU IS NOW PLANNING FOR AN ATTACK. THEY CLAIM THE SERVICE TO SERVICE MECHANISMS FOR PREVENTING AND CONTAINING INCIDENTS BETWEEN THE TWO NATIONS FUNCTION BUT EXPRESS A LACK OF CONFIDENCE IN THEM AND THE BELIEF THAT PERU IS BEEFING UP ITS MILITARY PRESENCE ON ITS NORTHERN FRONTIER. COULD EITHER EMBASSY QUITO OR EMBASSY LIMA PROVIDE ANY INFORMATION THAT COULD TEND TO DENY OR CONFIRM THIS ACCUSATION.

9. ALSO, WE WOULD APPRECIATE YOUR COMMENTS (AND ANY THAT LIMA MAY HAVE) ON OLMEDO'S REFERENCE TO THE PUYANGO-TUMBEZ PROJECT AS A POTENTIAL CAUSE OF CONFLICT. VANCE

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